

AGRICULTURAL COMPETITIVENESS WHITE PAPER SUBMISSION 2014



MARKET VALUE: The Positive Contributions of Farmers' Markets to Australian Agriculture

SUBMISSION PART A – FOR PUBLICATION

OVERVIEW

This submission addresses several key issues of the Agricultural Competitiveness White Paper and outlines the impressive ongoing contribution of Australia's farmers' market sector to Australian agriculture and the nation's food supply.

It will highlight farmers' markets positive contributions to the White Paper considerations including:

- Food security and a stronger agriculture sector
- Growing farm gate returns
- Supporting and growing fair returns for farm and artisan food producers in the value chain
- Boosting regional economies
- Revitalising regional communities
- Stimulating job creation
- Supporting skills training and diversification of farm enterprises
- Healthy food options through improved food security

Underlying these significant economic and social contributions is a recognition that **Existing food systems and food policies do not necessarily offer the most sustainable options to support Australian food producers and feed Australia's population**

And a realisation that

Local market places are as old as mankind and offer efficient, sustainable food chain distribution opportunities

This submission seeks recognition for farmers' markets as a pivotal link in Australian agriculture and the food chain, and their integral role in supporting food production and its supply to urban and rural Australian communities. Further, it calls for national policy frameworks that facilitate and support the growth and viability of farmers' markets nationally.

This submission seeks to alert Government to the influence farmers' markets have and can play in Australian agriculture due to the existing and growing vibrant network of farmers' markets trading regularly in all states in Australia. There are over 160 farmers' markets trading in capital cities, regional centres, and country towns from Carnarvon, WA, to Byron Bay and beyond.

FARMERS' MARKETS DEFINED

A farmers' market is defined as:

'A **predominantly fresh food** market that operates **regularly** within a community, at a focal public location that provides a suitable environment for farmers and food producers to sell **farm-origin** and associated value-added specialty **food products directly** to customers.'

AUSTRALIAN FARMERS' MARKETS ASSOCIATION

Inherent in this definition is that the unique selling proposition (USP) of farmers' markets that distinguishes farmers' markets from other community markets. Namely,

- Direct sales transaction from food producers to consumers
- No resellers or agents
- Food supply/ food sales focus
- No craft or non-comestible products, other than
- Allowance for food chain related products eg: seedlings, small livestock, animal fodder, compost

EVOLUTION OF FARMERS' MARKETS IN AUSTRALIA

The first Australian farmers' market started trading in 1999. In 2014 there are approximately 160-plus 'best practice' markets operating in all states with constant enquiry from and for new-start markets.

For 15 years farmers' markets have contributed to Australia's food supply chain, a vibrant grassroots community movement that has posted extraordinary success in the social enterprise space. Farmers' markets trade in shopping malls, showgrounds, racetracks, warehouses, and car parks where marquees, trestles and trucks collect on specific half-days (mostly mornings), a temporary trading environment that allows farmers, their families and specialty producers to directly sell farm produce to shoppers hungry for fresh food straight from its source. It is this **direct through-chain relationship** – food sold directly from producer to consumer, the market's food focus, and the prominence of fresh food that clearly defines a farmers' market.

The drivers for the rapidly growing farmers' market movement have varied from state to state but encompass stimuli as varied as food groups, church organisations, main streets committees, state economic development departments, local government, community health programs, farming associations, organic growers, agribusiness networks and commercial private market operators.

Critical milestones include:

- 2003 Australian Farmers’ Markets Association (AFMA) established
- 2003 First national conference
- 2004 Standing Committee Environment & Heritage: *Sustainable Cities 2025 Report*
- 2006 Victorian Farmers’ Markets Association (VFMA) established
- 2007 *Guide to Farmers’ Markets Australia & NZ* published
- 2007 Australia Post market stamp launched
- 2009 VFMA Accreditation Program launched
- 2012 AFMA Constitution
- 2013 DAFF ‘Caring For Our Country’ grant
- 2013 NSW Farmers’ Markets Association (NSWAFMA) established
- 2013 Tasmanian Farmers’ Markets Association (TASFMA) established
- 2014 WA Farmers’ Markets Association (WAFMA) established
- 2014 RIRDC Report: *Understanding Australian Farmers’ Markets* published

POSITIVE CONTRIBUTIONS

SECTOR GROWTH & GOVERNANCE

Farmers’ markets have been estimated to account for a 7% market share of fresh food sales (D McKinna, 2011.) ABARES *Social Economic Dimensions of Farmers’ Markets in Australia*¹ cites 97% of market managers reported their markets to be viable long-term. Further positive ABARES data includes growth of stallholders (69%) and customer rise since market inception (64%).

In 2010 the VFMA estimated the economic impact in Victoria alone of 90-plus farmers’ markets was \$227 million. Data indicates almost double the number of farmers’ markets are trading Australia-wide in 2014; many new-start markets operating on weekly rather than monthly cycles, suggesting doubling this figure may provide a conservative estimate of the economic impact of the farmers’ market sector nationally. VFMA Accreditation currently cites 800-plus accredited stallholders, and 38 accredited farmers’ markets. A pilot producer guarantee scheme is being developed in SA.

The Caring for our Country grant program enabled the establishment of three new state farmers’ market associations – WA, NSW and TAS – and the development of the AFMA Strategic Plan 2014-2017. These governance initiatives provide a strong platform to underpin future sector growth and viability.

As does the recent RIRDC research report *Understanding Australian Farmers’ Markets*² that independently posts positive indicators of the strength, health and impact of farmers’ markets on agriculture, farmers and food producers, the food supply chain, regional communities and ultimately, food security.

The recent Colmar Brunton consumer omnibus survey³ amplifies this status by reporting 14% of the survey respondents typically purchase vegetables at a farmers' market. In addition, 4% of the respondents cited they bought direct from growers – straight from the farm-gate or roadside stalls.

FOOD SECURITY

Farmers' markets contribute to Australia's food security by:

- Supporting viable family farms and food producers
- Contributing to local economies
- Incubating new-start farm and food enterprises
- Contributing to the preservation of threatened farmland, especially in peri-urban areas
- Broadening direct access, especially in regional communities, to local fresh food and seasonal food supply
- Supporting community food hubs and complementary local food initiatives
- Promoting regional food identity
- Linking with food rescue programs
- Educating consumers to eat local, seasonal produce

GROWING FARM-GATE RETURNS

Farmers' markets stallholders sell farm fresh and specialty food direct to consumers. The farmers' market direct sales model allows stallholders to maximise profit margins and be price makers. Low barriers to entry, cost savings on through-chain margins, transport and packaging all contribute to maximum value being returned to the farm-gate. In addition, research has shown that market participation allows farming enterprises to diversify production, trial new products, launch and build brands.

The positive business growth impact of farmers' markets extends beyond market day. Stallholders develop new business networks and trade customers – with local food businesses including hospitality providers, independent food stores, food processors, and other stallholders. Market participation also supports the growth of allied farm-direct sales channels including mail order and web sales, farm-gate visitation, and in some instances the promotion of farm-stay tourism facilities.

COMPETITIVENESS & VALUE CHAINS

The fundamental premise of the farmers' market model – paddock-to-plate direct sales – returns control of the value chain to the producer. Recent RIRDC research, *Understanding Australian Farmers' Markets* highlights the positive value chain benefits for producers participating regularly in farmers' markets, as highlighted above.

BOOSTING REGIONAL ECONOMIES

Farmers' markets showcase a region's agricultural activity and identity. They are also pivotal to economic development. In 2010 a VFMA study⁴ indicated \$227 million economic impact in Victorian regions alone from farmers' market trading.

Regional renewal is another primary and powerful benefit of farmers' markets – and positive examples exist, notably Willunga, SA and Wauchope, NSW. The advent of a regular farmers' market in any community attracts and grows visitation, from inter- and intra-regional residents, and tourism. The 'spend' on market day penetrates far beyond the market with positive impacts for all retail traders in the host community, and consequent positive economic impact.

The 2010 VFMA study reported the average customer spend at farmers' markets is \$70 per shopper. With an estimated 35,000 Victorians shopping at farmers' markets weekly, this equated to a \$2million dollar injection into the Victorian economy each week of the year. The bi-monthly Hume Murray Food Bowl Farmers' Market in Albury-Wodonga has reported an annual \$1.5 million input to its local economy.

Community engagement should also not be underestimated. Farmers' markets provide a vehicle for community cohesion, community health and community pride. Farmers' markets facilitate the development of cohesive communities, and nurture the notion of 'village' or 'neighbourhood', providing both a 'taste of country' and positive social connections, values with high currency in contemporary Australian society.

JOB CREATION & AGRICULTURAL SKILLS TRAINING

Job creation and skills development is an expected outcome of viable farmers' markets – for farming families, new-start and specialty food enterprises, and market operators.

Participation in farmers' markets can result in farmers' discovering and planting new crops, and / or developing on-farm value-add processes to create new products eg: dairy farmer develops ice cream range, orchardist a fruit leather product. Invariably too, skills are acquired to facilitate the development of product branding, packaging, display and promotional tools. Notably, this skills development is low cost and 'passive' – learned from the supportive market environment, via exchange between stallholders or facilitated by market managers.

Successful farmers' market participants do grow their businesses and do create employment – for family members and regionally based staff; and all markets require operations staff.

In addition, markets may initiate specific skills training sessions to assist stallholders with vital knowledge encompassing food safety, branding, packaging and profitable market trading skills. The VFMA operates regular information and skills workshops for market managers and market vendors.

COMMUNITY HEALTH & WELLBEING

While not a specific consideration of the White Paper it is important to highlight the positive benefits of farmers' markets for community health and wellbeing. Farmers' markets deliver fresh food to urban and rural communities. They have the capacity to educate people about healthy eating, and can contribute to a reduction in obesity and other dietary related health risks through education and changed eating patterns. They can underpin food security networks and can act as the hub for associated local food systems. Farmers' markets can also contribute to the mental health and wellbeing of participating producers trading in a supportive environment, positively reinforced by direct customer contact and social exchange with other producers.⁵ This is especially significant when research suggests the highest rate of suicide is amongst males of rural farming communities.

Farmers' markets provide a platform to connect local and community food programs including food hubs, herd share schemes, community and school gardens, food trails and farm gates. A vibrant farmers' market network can underpin local food policy and social efficacy.

A VISION

Imagine cityscapes where roundabouts are planted with kale and coloured lettuces, and public herb gardens, where flower boxes flourish with edible plants, and rooftop vegetable gardens are routinely designed into high-rise buildings. Imagine a society where children and the aged tend community kitchen gardens, and vacant land is transformed into greenspace gardens, where property developers are bound to plant fruit trees in median strips, install infrastructure to house farmers' markets within shopping complexes, and developers and planners routinely incorporate focal market places into property developments and cityscapes to augment health built environments.

Imagine a society where rural and agricultural land is valued equally or more highly than urban development, where sprawling cityscapes encompass farms, market gardens and orchards, where food continues to be grown locally, within essential reach of major population centres.

Imagine bustling market days when farmers and artisan producers arrive in market squares, malls and parklands with trucks and trolleys loaded with freshly grown and value-added seasonal food with flavour – new season apples, juicy ripe peaches, freshly dug spuds, snap green Asian vegies, golden yolk eggs, crusty sourdough bread, washed rind cheeses, grain-fed Wagyu beef steaks and plump free-range chickens, potted herbs and fresh-cut flowers for the dinner tables.

This is not a pipe dream, such market scenes happen regularly in cities across Australia but the continued growth of the farmers' market sector will be facilitated by recognition of Government that farmers' markets are an integral link in Australia's food chain and competitive agriculture.

SUSTAINABLE SOLUTIONS

The Agricultural Competitiveness White Paper should enshrine the Australian Government's vision and provision of agriculture and food production, nutrition and nurture for all Australians – for those who grow, catch, manufacture, sell, supply, swap – and eat. It should integrate food policy, from production to consumption, aligned with productive, sustainable agriculture and horticulture, aquaculture and vital water management.

Recognition, policy and resourcing is needed to support all delivery agencies throughout the paddock-to-plate food chain – to provide peak nutrition for all Australians, and sustainable and profitable enterprises for all farmers and food providers.

Food security exists when all communities have equity of access to sufficient, affordable, safe, fresh and nutritious food that meets basic dietary needs to support a healthy lifestyle.

All Australians deserve access to the reliable supply of seasonal, local farm fresh produce.

These aspirations will be achievable when Government contributes resources to:

- Facilitate and support viable growth of the farmers' market sector
- Review food labelling
- Review national food safety guidelines to deliver consistently applied national standards

Specific priorities requiring resources for implementation include:

- Augmentation of AFMA's role as the peak national organisation
- Identification or development and roll-out of a national farmers' market authentication scheme
- National farmers' market promotional campaign
- Development of educational and promotional tools
- Farmers' market stallholder recruitment
- Sector consultation and biannual national conference
- Skills development workshops for farmers and food vendors
- Market manager skills training
- Sector research

APPROPRIATE ACTION

Government departments of agriculture, environment and regional development and health can play a significant role when it comes to supporting the strategic growth and quality of authentic farmers' markets. The Agricultural Competitiveness White Paper is requested to consider appropriate strategy, policy and mechanisms that will complement and facilitate the further growth of farmers' markets – a vitally important, vibrant sector that supports Australia's farmers and specialty food producers, and has capacity to supply fresh, healthy food to diverse Australian communities.

REFERENCES

- 1 Social & Economic Dimensions of Farmers' Markets in Australia, Australian Food Statistics 2010-11, ABARES 2011
- 2 Understanding Australian Farmers' Markets by Vicki Woodburn, RIRDC, 2014
- 3 Colmar Brunton Omnibus Survey, 2014
- 4 VFMA Farmers' Market Shoppers Market Research Project, 2010
- 5 Gascoyne Growers Market: A sustainable health promotion activity developed in partnership with the community. Payet et al, Aust.J.Rural Health (2005) 13,309-314.

OTHER LINKS

- ❖ Australian Farmers' Markets Association Inc. www.farmersmarkets.org.au
- ❖ Victorian Farmers' Markets Association www.vicfarmersmarkets.org.au

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